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FM AMEMBASSY LIMA
TO RUEHC/SECSTATE WASHDC 1570
INFO RUEHBO/AMEMBASSY BOGOTA 3704
RUEHBU/AMEMBASSY BUENOS AIRES 2525
RUEHCV/AMEMBASSY CARACAS 9693
RUEHQT/AMEMBASSY QUITO 0573
RUEHLP/AMEMBASSY LA PAZ AUG SANTIAGO 0761
RUCPDO/DEPT OF COMMERCE WASHINGTON DC
RUEATRS/DEPT OF TREASURY WASHDC
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC

UNCLAS LIMA 002942

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USTR FOR AUSTR EISSENSTAT, BHARMAN, MCARILLO
COMMERCE FOR 4331/MAC/WH/MCAMERON
TREASURY FOR OASIA/INL
WHA/AND, WHA/EPSC, EB/TPP/BTA

E.O. 12958: N/A

TAGS: [ETRD](#) [ECON](#) [EINV](#) [PGOV](#) [PE](#)

SUBJECT: LETOURNEAU RECEIVES SETTLEMENT, CASE CLOSED

REF: LIMA 1830 AND PREVIOUS

1. (U) On July 26, Roy LeTourneau, CEO of LeTourneau Foundation, received the agreed-upon settlement of approximately USD 10 million from the GOP by wire transfer, resolving a decades-old dispute. That same day, LeTourneau signed a Cancellation Public Deed that formally closed the case.

2. (U) LeTourneau then sent a letter to Congressmen Johnson, Hall, Sessions, Marchant, Culberson, Carter, Delay, Gohmert, Pence, and Hensarling informing them of the resolution of the dispute and urging ratification of the U.S.-Peru Trade Promotion Agreement.

3. (SBU) The latest delays concerned moving payment authorizations among the various GOP agencies involved in the case. Further difficulties involved the Minister of Agriculture's requirement to issue a check in Peruvian soles rather than in U.S. dollars as required by the settlement agreement. At the last minute GOP Disputes Coordinator Aurelio Loret de Mola was able to organize a wire transfer from the Peruvian national bank to LeTourneau's U.S. bank account.

4. (U) The GOP has now fulfilled its 2002 commitment linked with the Andean Trade Promotion and Drug Eradication Act (ATPDEA) to resolve this dispute over compensation for LeTourneau's construction of a Peruvian road from 1954 to 1968.

COMMENT

5. (SBU) Loret de Mola labored hard with Mr. LeTourneau and embassy officials to produce a confirmed payment before the Peruvian Congress' last day in session (July 26) and President Toledo's last full day in office (July 27). Efforts over the past few days showed the difficulties in dealing with the GOP's Byzantine bureaucracy, but in the end the GOP made it happen. This was the last ATPDEA dispute that required the will and actions of the executive branch; the remaining three disputes (Engelhard, Princeton Dover and Duke Energy) involve a wait for judicial or arbitration outcomes over which the GOP has no direct control.

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